



USAID
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Rebuilding Afghanistan

Weekly Activity Update for December 1-7 • Issue 69

Program Goals

- Support the Bonn process: the Constitutional, Human Rights and Judicial Commissions; the 2004 elections; and a free and independent media.
- Strengthen government budgeting, revenue generation (e.g., customs), monetary management, private-sector related legal and regulatory frameworks, and promote private enterprises.
- Build capacity to carry out other legitimate government functions and support reconstruction of health, judicial, education, economic, agricultural and transportation infrastructure.



Hamid Karzai was inaugurated on December 7 as the country's first democratically elected president.



BearingPoint Afghan employee using her Kabul Bank card to receive her first salary payment from the Kabul Bank.

Bank cards Issued

Although its financial sector is developing, Afghanistan continues to be primarily, a cash-only economy. This makes it difficult for international organizations to pay salaries to their Afghan staff. In an effort to enhance efficiency and service to its staff, BearingPoint created accounts at Kabul Bank for its 400 local employees. Opening these accounts introduced these Afghans - most of which had never before been exposed to a financial institution - to commercial banking systems.

Grape Export Pilot

In a pilot project, a group of five Afghan farmers exported an improved variety of grapes to Indian markets earning almost 180% higher profits compared to last year. The export was coordinated by the Rebuilding Agricultural Markets Program, which provided the Afghan farmers with training to increase yields from high-quality grapes. These farmers can now better judge the real market value of their produce, bargain more effectively with local traders, and receive a better market price. These pilot shipments are important steps in re-opening international trade corridors for Afghan agricultural producers. Because of the excellent quality of the grapes and receptiveness of the market, a second shipment of grapes was scheduled for export to Dubai last month.



An Afghan farmer harvests his grapes

Construction on Bagrami Industrial Park

On November 29, 34 plots of the Bagrami industrial park were sold to local businesses at the Afghanistan Investment Support Agency (AISA) in Kabul. The parks will be located in Bagrami in the Kabul province (where construction has begun), Shorandam district of Kandahar, and Mazar-e Sharif (both are in design phase). Because of the strong focus on infrastructure development, most job growth is taking place in the construction industry. Since the construction will eventually level off, the manufacturing sector must be able to provide a more sustainable alternative. Manufacturing in small and medium enterprises will stimulate the economy by creating sustainable employment, building local capacity, developing national resources, and promoting exports. The development of industrial parks under the Industrial Estate Initiative will play a central role in the long-term success of Afghanistan's reconstruction, providing the foundation for the manufacturing sector.



Mr. Malik Mortaza, Industrial Parks Advisor from AISA, announcing the new owners of the Bagrami park plots.

Security Incidents Directly Affecting USAID Reconstruction Programs

Note: Hostile attacks are reported through USAID's security contractors and the Associated Press

- **Decreased Number of Hostile Attacks:** From November 28-Dec 7, there were two hostile attacks, a decrease from ten in the previous reporting period. In one of the attacks, two people were injured. No one was harmed in the second incidence.
- **USAID Related:** Of the two attacks during this reporting period, one directly affected USAID activities, but did not result in any injuries.
- **Latest Attack:** At approximately 2100 on December 7, a Central Asia Development Group vehicle was driving the Kajacki Power Plant local staff to their houses. As they were driving, unknown persons fired several shots at the vehicle. No one was injured and the car was not damaged. The driver continued on without further incident.

